

## Message Text

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ACTION EB-07

INFO OCT-01 EUR-12 NEA-09 ISO-00 ERDA-05 AID-05 CEA-01

CIAE-00 CIEP-01 COME-00 DODE-00 FPC-01 H-02 INR-07

INT-05 L-02 NSAE-00 NSC-05 OMB-01 PM-03 SAM-01 OES-03

SP-02 SS-15 STR-04 TRSE-00 FRB-03 FEA-01 /096 W

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R 041152Z APR 75

FM AMEMBASSY ALGIERS

TO SECSTATE WASHDC 2219

INFO AMEMBASSY PARIS

LIMITED OFFICIAL USE ALGIERS 0857

E.O. 11652: N/A

TAGS: ENRG, AG

SUBJECT: ALGERIAN OIL PRICES

REFS: (A) ALGIERS 0425 (B) ALGIERS 0613; (C) STATE 075004

1. ALGERIANS ARE NOT PUBLISHING MONTHLY OIL PRODUCTION FIGURES ANY MORE. THE PETROLEUM ECONOMIST PUBLISHES MONTHLY FIGURES AFTER 4 TO 5 MONTHS' DELAY--LATEST IS FOR NOVEMBER. THESE FIGURES CHECK OUT AND MUST COME FROM SONATRACH SOURCE, THOUGH EMBASSY DOES NOT KNOW SOURCE. 700,000 BARREL-A-DAY PRODUCTION FIGURE COMES FROM PETROLEUM INTELLIGENCE WEEKLY. EMBASSY CHECKED FIGURE BEFORE USING IT, AND IT PROBABLY PRETTY ACCURATE. 900,000 BPD WAS FIGURE USED FOR NOVEMBER PRODUCTION REF (A) AND SPOT REPORT INDICATE PRODUCTION FELL IN DECEMBER AND HAS CONTINUED TO FALL IN 1975. FRENCH PETROLEUM ATTACHE FIGURED PRODUCTION NOW BETWEEN 700 AND 800,000 BPD, AND, ON SAME LOGIC AS ABOVE, ACCEPTED 700,000 BPD AS BEST ESTIMATE AVAILABLE.

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2. FOR MORE THOROUGH STUDY OF ALGERIAN OIL

PRODUCTION, SEE ALGIERS 0425 AND 0613.

3. CHECK WITH TWO US OIL COMPANIES RESIDENT IN ALGIERS INDICATES THAT INDEED US COMPANIES ARE SHYING AWAY FROM HIGH COST ALGERIAN CRUDE. PROBLEM IS ONE OF PRICE. WITHOUT BEING SPECIFIC, COMPANY OFFICIALS INDICATE ALGERIAN MARKET PRICE OF 11.75 A BARREL IS SOFT, WITH OTHER CLAUSES LIKE DELAYED PAYMENTS BRINGING REAL PRICE DOWN. FRENCH ARE ALSO NOT TAKING AS MUCH ALGERIAN OIL AS IN PAST.

4. AT HASSI MESSAOUD, ALGERIANS ARE INCREASING DRILLING IN PROVEN AREAS. EXISTING, OLDER WELLS ARE CLOGGING UP AND NEED RE-WORKING. RE-WORKED WELLS SEEM TO COME BACK TO EARLIER PRODUCTION: BUT WITH ALGERIAN ORDER OF 6 LARGE REINJECTION UNITS FOR HASSI MESSAOUD AND 1 FOR RHOURDE EL BAGUEL, IT IS CLEAR THEY HAVE PRESSURE PROBLEMS ON FIELD. OIL TECHNICIANS AT HASSI MESSAOUD CONFIRM PRODUCTION PROBLEMS, BUT NOBODY HAS GLOBAL, OFFICIAL PRODUCTION STATISTICS.PARKER

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## Message Attributes

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**Concepts:** PETROLEUM PRODUCTION, PRODUCTION DATA  
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**Copy:** SINGLE  
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